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December 5, 1996

TO: Chairman Reed E. Hundt
Commissioner James H. Quello
Commissioner Rachelle B. Chong
Commissioner Susan Ness

Secretary William F. Caton
(for MM Docket 87-268 file)

Enclosed is a copy of The Broadcasters
Caucus' December 4 Response to Cinema-
tographers' November 26 FAX to Vice
President Gore concerning the DTV
Standard.

Jonathan D. Blake

Enclosure

RECEIVED

DEC 5 - 1996

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

December 4, 1996

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**RESPONSE TO CINEMATOGRAPHERS' NOVEMBER 26 FAX
TO VICE PRESIDENT GORE CONCERNING DTV STANDARD**

The American Society of Cinematographers have it almost all wrong in their November 26 Fax to you concerning the proposed FCC DTV standard and the agreement reached among broadcasters, computer representatives and TV set manufacturers.

1. The Cinematographers asked the FCC to take two steps with respect to the proposed DTV standard: (a) non-adoption by the FCC of the proposed aspect ratios and (b) a ban on the right of film owners and television broadcasters to bargain at arm's length as to the aspect ratio in which theatrical film is shown on television. Since the agreement fully accomplishes the first of these two goals sought by the Cinematographers, it is simply inaccurate for them to claim that the agreement does "not provide for redress" of their grievances.

2. The advent of digital TV and its wider aspect ratio effectively addresses the Cinematographers' second complaint because it will greatly reduce the circumstances that lead to the use of pan and scan. Yet, Cinematographers' continuing opposition to the standard could impede the digital roll-out and delay this benefit that will serve their interests.

3. Broadcasters, however, cannot and will not invite the federal government to abridge the freedom of contract by inviting the FCC to adopt a requirement prohibiting film rights holders and broadcasters from determining whether the pan and scan technique (usually implemented by film suppliers, not broadcasters) will be used for televising films -- an area where the FCC has no jurisdiction. Perhaps such a step would be "relatively simple," as the Cinematographers claim, but it would also be simply wrong.

The interests of the Hollywood community will be greatly abetted by the FCC's permitting digital TV to launch promptly by adopting the DTV standard as recommended in the settlement among broadcasters, computer representatives and TV set manufacturers. (The Motion Picture Association of America takes a different view from the Cinematographers; see the enclosed November 12, 1996, letter from Mr. Jack Valenti to Commissioner Ness: "The 16:9 screen aspect ratio contained in the ATSC Standard will provide maximum accommodation for the transmission of video material originally produced in different aspect ratios and will facilitate international program

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exchange.") The public interest would also be greatly served by prompt adoption of this standard.

THE BROADCASTERS CAUCUS

ABC, INC.

FOX TELEVISION STATIONS, INC.

ASSOCIATION FOR MAXIMUM
SERVICE TELEVISION, INC.

NATIONAL ASSOCIATION OF
BROADCASTERS

ASSOCIATION OF AMERICA'S
PUBLIC TELEVISION STATIONS

NATIONAL BROADCASTING
COMPANY, INC.

ASSOCIATION OF LOCAL
TELEVISION STATIONS, INC.

PUBLIC BROADCASTING SERVICE

CBS INC.

TRIBUNE BROADCASTING COMPANY

CHRIS CRAFT INDUSTRIES, INC.

Its Members

Enclosure

cc: The Honorable Larry Irving (with enclosure)



JACK VALENTI
CHAIRMAN
AND
CHIEF EXECUTIVE OFFICER

November 12, 1996

1600 EYE STREET, NW
WASHINGTON, DC. 20006
TELEPHONE: 202/293-1066
TELECOPIER: 202/452-9813

Dear Susan

Thank you for your October 24 letter regarding the proposed digital television transmission standard. We in the production industry share your interest in resolving the technical dispute surrounding this issue.

As you know, MPAA is on record in support of the technical aspects of the Advanced Television Systems Committee's Digital Television Standard ("ATSC Standard"), in particular, the 16.9 aspect ratio and interlaced progressive scanning parameters in relation to interoperability. MPAA believes it is in the best interests of U.S. program providers to lead the way in promoting the emergence of common worldwide technical standards. The 16:9 screen aspect ratio contained in the ATSC Standard will provide maximum accommodation for the transmission of video material original produced in different aspect ratios and will facilitate international program exchange. Moreover, an interlaced transmission format will allow for the broadcast transmission of live action in high definition until such time as technology permits transmission of this quantity of picture information in a progressive format.

There is no evidence that the mandatory 480 line baseline format proposed by The Computer Industry Coalition and The Coalition of Film Makers would permit high-definition television (HDTV) from the outset. The proposed ATSC digital television standard will enable theater-quality high resolution films to be displayed on high-definition television sets immediately. For the first time, television viewers will be able to experience movies in their homes on wide screen receivers with picture clarity and surround sound that approaches that available in movie theaters. The ATSC digital television technical standards can provide capability, giving more than twice the vertical resolution (using the 1080 line, progressive scan, 24 frame per second format) than the 480 line baseline format would provide. MPAA believes that broadcasters should have the option of choosing HDTV and, therefore, opposes a mandatory 480 baseline format.

Further, in light of the enormous investment to date by the industry, the government and the public in the existing telecommunications infrastructure, interoperability of digital television with other media is a critical goal of this proceeding. MPAA believes the Standard provides the maximum interoperability with other video media resulting from a variety of scanning parameters that include the interlaced format. The digital TV Grand Alliance system and the ATSC Standard recommended to the Commission by the Advisory Committee represent by far the most interoperable broadcast television system ever conceived. While a majority of video, all motion pictures, and all other material originating in film, including most prime time television programs and commercials, will be transmitted using the

progressive scanning formats, the inclusion of interlaced formats is essential to broadcasters to enable them to transmit both live action events and archived interlaced video programs efficiently and to promote easy interoperability with cable television and satellite services and with international digital video standards, all of which currently utilize interlaced scanning. Moreover, interlaced transmission can be displayed progressively with minimal additional cost to home television receivers.

Additionally, I wish to correct the misimpression that all of the Hollywood community oppose the 16:9 aspect ratio. To the contrary, MPAA believes that the ATSC Standard provides for viewing pictures in virtually any aspect ratio on a 16:9 receiver by using letter boxing or side panels in those cases where the picture does not exactly fit the screen. A 16:9 aspect ratio has been proven through the Advisory Committee process to be an appropriate standard. This decision was initially reached over a decade ago after extended and careful deliberations, with extensive participation by the motion picture and television production communities. The Computer Industry Coalition and the Coalition of Film Makers have averred that the standard forces broadcasters to pan and scan. To the contrary, the ATSC Standard does not require that transmitted programs conform to a 1.78:1 (16:9) or a 1.33:1 (4:3) aspect ratio. With a 16:9 receiver, wide-screen feature films (i.e., 1.85:1 and greater) can be viewed in their original formats by using letter boxing. (About 80% of films are 1.85:1, these films would lose only about 4% of their screen height when shown at full width. The remaining 20% of films are 2.4:1, these films would lose about 25% of their screen height.) Because of the

wide variety of aspect ratios used by the motion picture industry in the U.S. and throughout the world, it would not be possible to select a single aspect ratio that perfectly satisfied every need. However, it has been demonstrated that the 16:9 format can accommodate program material or motion picture films of any reasonable aspect ratio.

Finally, the U.S. broadcasting television and computer industries are among the largest and fastest growing sectors of the U.S. economy. These industries contributed at least an estimated \$24 billion in foreign revenues to the U.S. economy in 1994. Moreover, together with other copyright-based industries, the filmed entertainment industry is second only to motor vehicles and automotive parts among U.S. industries in terms of estimated foreign sales and exports. MPAA believes it is in the best interest of U.S. program providers to lead the way in promoting the emergence of common worldwide technical standards. In particular, the 16:9 aspect ratio of the ATSC Standard, also adopted in Europe and Japan, will facilitate international program exchange by minimizing the cost of technology conversion and thereby maintaining cost competitiveness. Additionally, the ATSC Standard is sufficiently flexible to conform to existing international agreements on digital television and thus will present minimal technical barriers to the continued flow of programming from and to all parts of the world.

I hope this letter states clearly the MPAA posture.

As always, thank you for your interest and support of our industry.

Sincerely,

A handwritten signature in black ink, appearing to be the name "Jack", written in a cursive style with a long horizontal stroke at the end.

cc: Chairman Reed Hundt
Commissioner James Quello
Commissioner Rachel Chong

The Honorable Susan Ness
Commissioner
Federal Communications Commission
1919 M Street, N.W. - Room 832
Washington, DC 20554